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# Sticky Business

The guide to  
growing your  
money tree



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Sticky Business; Start a business and build your own future

Version 2.0

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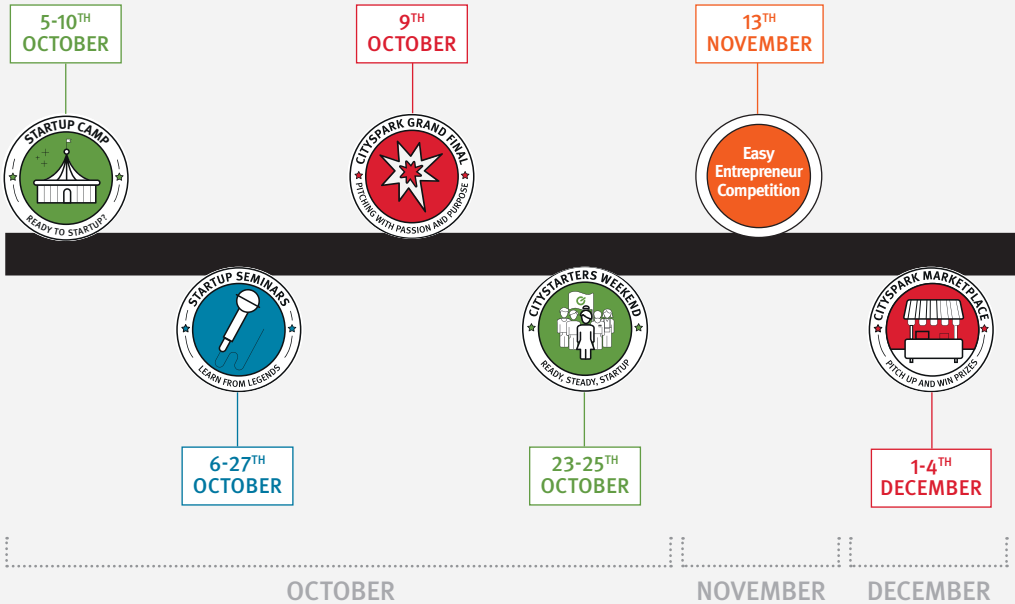
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# Dates for your diary

From student enterprise programmes and start-up support to inspiring investment opportunities and fresh thinking for established businesses.

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# Chapter 1

## People Business

### Know Your Humans



# Building a Dream Team

**It pays off to think strategically about the kind of skills and personalities your business needs to thrive. Look at the gaps and aim to find people to fill them. Remember to strategise, one person can sometimes wear more than one hat!**

## **Pick people you get on well with. You'll be spending a lot of time together!**

Passion is just as important as skill. After all, you can teach people new skills.

If your entire team is made up of enormous egos, you'll probably spend all your time arguing. If you all find talking to people uncomfortable, you might find getting press coverage and driving sales a challenge.

Did you know that for investors or venture capitalists, a strong team with a range of complementary skills is one of the key factors that influence their decision on whether to invest or not?

Picking your mates can work well, but it is risky. Working with friends can test your friendship to the max.

You need to think whether you would enjoy working with this person for three years at

least, with lots of ups and downs. Setting up a business with someone is almost like a marriage!

Always choose the best possible people to join your business. The good news is, at university, you are surrounded by brainy folks!

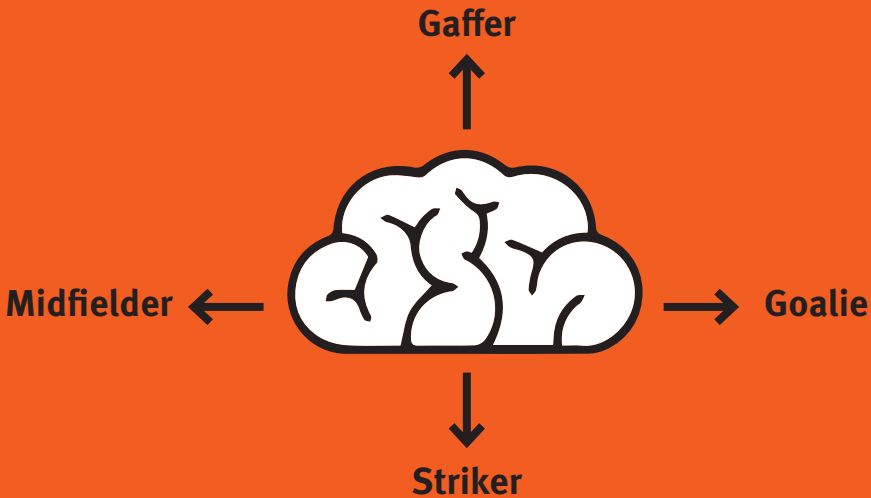
Rei Inamoto, the Chief Creative Officer at innovation company AKQA, refers to the key members of a team as Hipsters, Hackers and Hustlers – a bit pretentious, perhaps, but it sums up some of the different qualities needed in a strong team – creative people, technical people and salespeople. (It's also missing a key element, the person who is good with money.)

As an alternative analogy, we've gone with a football theme. To create the dream team, we reckon you are going to need a Gaffer, Midfielder, Striker and a Goalie.



It's better to have a hole in your team rather than an a.hole! Cultural fit is the most important thing. Are you passionate about the same stuff? Would you like to hang out with them for many hours, every day? Don't hire the same personality types or people with similar skill sets. These should be complementary."

Greg Drach, BSc Investment & Financial Risk Management graduate, Cass Business School, and co-founder of Inscribe Media.



### **Gaffer**

If you've got ideas leaking from every pore, chances are you're the creative brain of the team.

Gaffers want to change the world and they're great at inspiring and motivating others to believe they can. They have a vision and they're on a mission to make it happen, just like Mourinho.

### **Midfielder**

You'll need at least one doer in your business. Someone great at working out what exactly needs to be done to achieve the business goals.

They can translate the creative plans of the gaffer and make them happen. They'll create a plan, assign tasks and get everyone organised, motivated and on track.

### **Striker**

Strikers are the most charismatic members of the team, prepared to put themselves on the line and close the deal. Some people can talk to anyone – whether they're at the bus stop, on the phone to a journalist, chatting to a customer or schmoozing at a networking dinner.

A striker will be the voice of your operation – the person who's happy to go on the radio or TV telling the world about your business, who will persuade journalists to feature you or new clients to buy your stuff. They'll be great at doing deals and ducking and diving to help your business get the right result.

### **Goalie**

Someone in your business needs to have a safe pair of hands and be very good with money.

Building budgets, creating cost-cutting plans, calculating forecasts and managing the accounts.

It's not everyone's cup of tea, but without a goalie to defend your assets and manage the dough in your business, you'll go belly up quicker than you can say "where's all our money gone?"

### **How to find your dream team**

If you don't already have a team lined up, our advice would be to get up, get out and start networking.



# Team Member Tick List

A circular graphic with a white border and an orange center. Inside the orange center, the words "TRY THIS" are written in white, bold, uppercase letters.

**TRY  
THIS**

**Finding the right people is not easy, let's create a clear checklist of characteristics or skills to make sure of recruits making the grade. Here are some suggestions:**

- Do they have relevant experience or an appetite to learn?
- What specific skills do they have that your team needs?
- Are they motivated to succeed?
- How much time do they have to dedicate to the business?
- Are they passionate about your business?
- Can they demonstrate a strong work ethic?
- Do they have useful contacts they are prepared to share?
- How do they feel about the risks involved in working in a startup?
- Can they afford not to earn money for a while?
- Are they flexible? Are they able to think quickly and adapt to new situations?
- How do they cope with setbacks?

# Go Stealth



**TRY  
THIS**

**Right folks, it's time to check out the competition. Looking into details of those that are already doing it will help you increase your chances of success.**

It sounds like hard work – but now is not the time to be a slacker!

You'll feel like a right twit in six months if someone helpfully points out there is already a company doing the same thing as you, just around the corner.

Your mission, should you choose to accept it, is to find out who's doing what, where, how, and for how much.

It is all about finding your differentiators to outbid your competitors, whether it be your knowledge, your team or funding you have.

## What you need to know

Get answers to questions like these:

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What products/services do your competitors offer?

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What business model do they use?

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Where are they located?

---

How much do they charge?

---

How would you describe their branding?

---

What kind of customers are they targeting?

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Which clients do they already have onboard?

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How many clients do they already have?

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How much are they already turning over?

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Have they received much press coverage?

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How do they promote themselves online? Do they use Google ads, Facebook ads, affiliate schemes and so on?

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How do they manage their customer service?

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Do they have any great customer service policies?

---

In what areas do you think there is room for improvement?

---


Have they received any negative feedback or coverage?

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Do they seem to be thriving?

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Without gathering the right kind of information, you're putting yourself at risk of failure before you've even started. You wouldn't run a marathon without setting foot in the gym, would you?

 We looked at white papers, websites, others' apps and also surveyed people through Survey Monkey to better understand what would be compelling about the concept and who our target customers are."

Ashveen and Lukas Linsbichler, Executive MBA graduates, Cass Business School, and co-founders of VEVA.

## What to do

To get answers, why not try this:

---

Head to relevant trade shows – the perfect place to check out your competition and potential clients

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Attend seminars, workshops and any free talks to learn as much as possible about your industry

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Become a spy. To get under the skin of your competitors, go undercover; trench coat and dark glasses optional

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Visit your competitors' shops and use their services. Have a wander around the area (if you're thinking of setting up a physical presence like a shop or office)

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Pretend to be a customer – phone up or walk in and ask loads of questions. If you've got friends who like a bit of role-playing,

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you can always enlist their services to give you a hand

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If you're feeling brave, you can even ask for an interview – as part of a "university project" you're doing

---

Join social media groups and pages, forums relevant to your business. Engage with the group – join discussions, answer questions, ask questions, offer to help

---

You could even get a job working for a competitor – to find out as much as possible. If you do this, it's a good idea to check your contract and make sure you aren't agreeing to something that will hamper you – some contracts prevent you from working in that field or for a competitor for a certain period. You don't want to get sued

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Search on social media – Twitter in particular, for disgruntled customers. Find out what they're not happy with

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Sign up for your competitors' email lists so you hear about their news and launches

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Read articles and blogs written about your competitors – what do people really think of them?

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# Opportunity Spotting

**TRY THIS**

Now that you're overloaded with information, the question is, what does it all mean?

Ultimately, you need to know where the opportunities lie. Use the information you have to answer these key questions:

**What are the problems people are facing that need solving?**

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**What are they buying now?**

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**How much do you think people would be prepared to pay for a solution?**

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**What would persuade them to switch to yours?**

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**What makes your business special or different from the competition**

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# Kugali Media

## Diversity in Publishing

There is a perceived lack of diversity in the media by members of the African diaspora across Europe and North America.

This representation is lopsided because it is disproportionate to the demographics across these regions.

Furthermore, in Africa the entertainment industry is still at it's infancy. This means

that there are a limited number of distribution and marketing platforms available to African filmmakers or game developers. As a result, the audience suffers due to a lack of content.

## Make a change

Kugali is a simple and convenient service that can help them discover, rate, review and share the best titles across film/TV, comics and gaming.

## By creating a single platform where users can discover African narratives

Kugali can create value for content providers and their respective audiences. For content providers Kugali offers a much-needed marketing platform that will help them connect with a relevant audience.

## KUGALI'S TOP TIPS



### Talk to your customers!

Once you come up with your business concept and target customer you need to start talking to them to find out if there really is a problem that needs to be solved.

### Leverage the free media

Our podcast, which was featured on iTunes new and noteworthy, consistently receives up to 5,000 listeners per month.

We're currently beta testing the first iteration of our website.

We'll use this opportunity to model our value and growth hypothesis.

Once we home in on these we'll seek to raise some early stage funding to improve the website and expand our user base.

Olufikayo Adeola, MA Creative Writing



# Chapter 2

## Money on My Mind

**Look after your pennies**



# How Will You Make Money?

It's the million-dollar question, literally.

We imagine you'd quite like to make some money sooner rather than later, be aware that you may be in for the long game but when it pays off, it feels so rewarding!

Here are some business models:

## Retail

Retail means you are selling a product, either in a brick-and-mortar shop or online. Whether you're selling electronics, ice cream, shoes or scaffolding, the key thing is that you are selling a tangible thing.

Retail is no longer limited to the high street. You could grow a multi-million-pound operation selling goods to people all around the world from your bedroom. The world is your oyster.

Whether your store is virtual or physical, your main focus will be driving people to your shop. This could be even more of a challenge online than on the street. Setting up shop online is a bit like setting up shop in the middle of a field and hoping people will walk past.

Leveraging the power, traffic and influence of marketplaces such as [www.ebay.co.uk](http://www.ebay.co.uk), [www.amazon.co.uk](http://www.amazon.co.uk) and [www.notonthestreet.com](http://www.notonthestreet.com) will help you grow your business more quickly than doing it alone.

## Service

With a service business, you are selling your time to clients, often on a one-to-one basis. Hypnotherapists, yoga teachers, PRs, photographers, coders, web designers, freelance writers and virtual assistants are all service-based businesses. The size of your business is limited by the number of hours in a day – although you could expand and have a team delivering the service on your behalf.

**Task Rabbit** – Selling one-off services  
[www.taskrabbit.co.uk](http://www.taskrabbit.co.uk)

## Knowledge

If you have expert knowledge in a particular area – video production, SEO, weight loss, fitness, nutrition, horse riding, skateboarding, face painting – a knowledge-based business model could be for you. By creating instructional videos, online courses, e-books or membership sites, you could turn your knowledge into cash, by selling it to people who want to learn from you.

Useful Resources:

**Udemy** – Sell your courses  
[www.udemy.com](http://www.udemy.com)

**Ruzuku** – Create and deliver courses  
[www.ruzuku.com](http://www.ruzuku.com)

**Wild Apricot** – membership site software  
[www.wildapricot.com](http://www.wildapricot.com)

**MemberMouse** – Turn your WordPress site into a membership site [www.membermouse.com](http://www.membermouse.com)

## Referral

If you're great at marketing and sales but not so keen on actual product development, you could try a referral or affiliated model. Instead of developing your products you sell other people's stuff, in return for a commission. You don't need to worry about packaging or delivery with this model as the retailer does this for you. You won't even need to worry about setting up complicated code to track purchases.

All you need to do is apply to become affiliated, receive a special code which you will use in your communications and persuade people to purchase. To be successful, you will need to drive lots of traffic to your website and create a loyal following of people who respect your opinions.

**Copyblogger** – Extensive blog resource about marketing writing [www.copyblogger.com](http://www.copyblogger.com)

## Social enterprise

A social enterprise is a business whose objective is to create a positive social or environmental impact. TOMS shoe company is an example of a social enterprise: for every pair of espadrilles purchased, they give a pair to people in developing countries. A social enterprise is not a charity; it is still a business, created to make a profit, but unlike a charity, only a percentage, as opposed to all of the profit, is reinvested into the business.

Useful Resources:

**Unltd** – Advice and resources for social entrepreneurs [www.unltd.org.uk](http://www.unltd.org.uk)

**Ashoka** – Global social entrepreneurs network [www.uk.ashoka.org](http://www.uk.ashoka.org)

**Startup School** – Resources and networking for entrepreneurs [www.startupschool.org](http://www.startupschool.org)

**Income Diary** – A learning resource for online business owners [www.incomediary.com](http://www.incomediary.com)

## Franchise

A franchise is a readily-made business that you buy into. It's often part of a well-known brand E.g. Dunkin Donuts, McDonald's.

An investment gets you the right to use the company branding, suppliers and resources, but you run your store. It can be easier than starting from scratch because the model works – the products have been developed, the brand is known, and all the structures are in place to enable you to run the business effectively from the start.

A franchise can be good for people who don't necessarily have their idea but want to own a business. On the flip side, buying into a successful franchise can involve huge initial costs, and you often have to pay the franchisor a percentage of the cash you make.

Useful Resources:

**Side Hustle: From Zero to 100** – Udemy course by City Ventures [www.udemy.com/course/sidehustle-zero-to-100](http://www.udemy.com/course/sidehustle-zero-to-100)

**2020 Startup seminars** by City Ventures [www.city.ac.uk/entrepreneurship/start/startup-seminars](http://www.city.ac.uk/entrepreneurship/start/startup-seminars)



# On World Domination

**Whatever you do, start small, GO BIG! Focus on the nearest market, and slowly work your way up to scale to other locations.**

Think of your business as building a house? You have to finish the first wall before moving onto your next wall.

Focus on initial customers, serve them and evolve the product / service as you go to meet their needs whilst also not straying from your vision (which means you sometimes have to say no to customers).

It is normal to re-design / tweak a product until you find what is called 'product market fit', which can take time.

Focus on solving customer problems first and foremost, if you do that really well, a bigger business model and funding may come from it.

## Your Special Sauce

**Your business needs to stand out from the crowd. Chances are, you aren't the only coffee shop in town or the only graphic design agency in the area, but that doesn't mean you can't be the most awesome.**

You want to get people talking about you. You need to give them a reason to ditch the business they are currently loyal to because they can't resist your unique and enticing offering.

Maybe you are thinking of setting up a tutoring business for primary school kids. Perhaps your unique selling point is that you use sport to help teach the kids their maths and literacy?

Or maybe all your tutors will be students under the age of 22, meaning they can relate better to the children?

Does your computer fixing business talk to customers in the language they understand?

Does your cleaning business use only environmentally friendly products?

People only spend money on things that matter to them, so why would they choose to spend their money with you?

# Costs

**You know HOW you're going to make money, but the big question is how much will you need to spend to get there? It's all a question of bottom-line profit.**

In our experience, costs associated with running a business are always higher than you'd think, so do your homework to avoid a big shock later. Besides, it's better to know now that your business idea is a no-go than to end up broke.

If your costs are too high, your profit will be low and the business will not be viable.

You'll either need to work out how to drive more sales or reduce your costs (that doesn't mean simply not including them in the spreadsheet!)

Get clear on your costs and you'll be able to calculate your pricing strategy and make sensible forecasts. We're talking about the cost of getting started, the cost of running the business and the cost of producing your product or delivering your service.

To help you get started with your planning, here are some of the costs you may need to include:

## Start-up costs

How much will it cost you to get your business up and running?

Computers

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Web design

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Premises

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Stock

---

Marketing

---

Printing

---

Shop-fitting and furniture

---

Vehicles

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Uniform

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## Overheads / fixed costs

How much will it cost you to run the business every month? Try to calculate these for the first 12 months:

Rent and service charges or mortgage  
Business Insurance

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Professional services e.g. lawyers and accountants

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Broadband

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Phone

---

Wages for staff

---

National Insurance contributions

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Advertising

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Training

---

Your salary

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SEO

---

Travel

---

Entertaining clients

---

Stationery

---

Printed materials e.g. leaflets, flyers, business cards

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Electricity and water

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Extra cash for contingency

---

Work out how much you will spend in each category over the next year or so. Don't forget to include a salary for yourself – you're not a volunteer. If your expenses will be more than your income, you may need to consider external funding.

## Cost of sales

How much does it cost you to produce one product? You'll need to know this to help you work out how much to charge and how much profit there is to be made per product.

Travel

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Raw materials

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Delivery

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Warehouse fulfilment

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Postage

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Packaging

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Machine hire

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## Top tips

Remember that you will need to budget for tax, national insurance and your pension too. Get some advice from a proper accountant because you might need to save up for this.

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Beware of underestimating your costs and forgetting that they can increase very quickly - you need to be sure that you will still be able to make a profit.

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Do as much digging around as you can to find out exactly how much things are likely to cost and whether they might increase suddenly. You don't want to get caught out.

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Ask a handful of friendly entrepreneurs about the type of costs they incur each month. There are sure to be loads of things you hadn't even thought of.

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And don't forget to add in a bit extra – contingency money – so you've got some money put aside for a rainy day, or if there's drama.

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## Recommended read

If thinking about numbers brings you out in a sweat, you might like to read Chapter 5, Managing the Moola of "The Right-Brain Business Plan" by Jennifer Lee-, for a more creative approach to financial planning.

[www.rightbrainbusinessplan.com/book](http://www.rightbrainbusinessplan.com/book)

# Bootstrapping

There are so many shiny new things to buy when you're starting a business – business cards, laptops, offices, desks, equipment, outfits. It's a veritable shopping spree waiting to happen. Don't be the person with all the equipment, but never turns a profit.

Starting a business is about making money, not spending it!

Running a business that doesn't make any money is just a very time-consuming hobby. If you spend loads, your first year will be even more challenging than it is already going to be. Why make life even harder for yourself?



We built an entire tech platform which was a beautiful thing, it turned out, the majority of our customers couldn't use (even though they had said they wanted it). If we could have done it all over again, we would have started with just two emails and done everything else offline and just built what was 100% needed and grown it organically that way. Don't build anything until you know exactly what you need to build and there is a proven reason for it. Don't do tech just for tech's sake."

Jody Orsborn, MA Culture, Policy and Management graduate, School of Arts and Social Sciences, and co-founder of The Backscratchers.

## Top money-saving tips

Work from home or in a café. If you need office space, consider a hot desk in a co-working space, or why not apply to The City Launch Lab?

Find out more at [www.city.ac.uk/cityventures/launch/city-launch-lab](http://www.city.ac.uk/cityventures/launch/city-launch-lab)

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Buy second-hand equipment where possible.

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Look for affordable services like logo design or web design on bid websites such as [www.fiverr.com](http://www.fiverr.com), [www.peopleperhour.com](http://www.peopleperhour.com) and [www.elance.com](http://www.elance.com)

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Build your website – using template software such as [www.wix.com](http://www.wix.com), [www.squarespace.com](http://www.squarespace.com), or [www.moonfruit.com](http://www.moonfruit.com)

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Do your PR – don't rush to employ a PR agency.

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Swap skills and services with fellow starters.

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Hire students looking for work experience.

---

Always negotiate with suppliers, don't just pay the initial price asked for.

---

Get free mentoring via CityStarters

---

Manage your finances carefully using free tools e.g. [www.waveapps.com](http://www.waveapps.com)

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# Pricing

## How much are you going to charge for your products or services? It's one of the trickiest things to work out.

First, you need to know who you're selling to. If you're selling to consumers (business-to-customer, B2C) then your pricing strategy will differ from businesses selling to other businesses (business-to-business, B2B).

Ultimately, the price you can charge depends on how much real people (not just your mum) are willing to pay for your product or service.

Here are some things to bear in mind:

**Brand positioning** – where does your product or service sit in the marketplace? Are you premium? Mass market? Bargain basement? If you plan to communicate high quality or luxury, you should probably be priced above your competitors.

**Cost of goods** – how much does it cost you to create and deliver your product or service? Once you know this, you can ensure your pricing will be profitable.

**Competitor pricing** – what are your competitors charging? If you go too low, you could start a price war and if you go too high you might price yourself out of the market.

**What will the market bear** – what are your target customers able to afford? Are you based in a low-income area, or are you selling to millionaires?

**Value** – how much value are you delivering to your customers. Does your product change lives? If so, people might be willing to spend rather a lot of money on it!

**Special sauce** – if your product is unique; you will have more freedom when it comes to pricing. Being different and special enables you to charge a higher price. Plus, early adopters are more inclined to pay higher prices for products that are new and exciting.

## Profit is key

The most common pricing strategy is to have a target of profit margin. This is the point at which you will make enough money to cover all your costs and turn a profit.

### Example

Here's an example of some rough calculations for a men's t-shirt business:

Each t-shirt costs £4 to produce – including the cost of the t-shirt, printing, packaging etc. (cost of sales).

The business itself costs £2,500 to run each month (fixed costs including money for your salary).

You plan to sell approximately 250 t-shirts per month in the first few months. Fixed costs per t-shirt are therefore £10.

Total production cost per t-shirt is £4 + £10 = £14.

Your brand positioning: Your t-shirts are luxury designer creations and the price should reflect that.

Competitor analysis: Your competitors sell comparable products for £30.

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If you sell direct to customers via your website for £30.  $£30 - £14 = £16$  profit!

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Here's another example of a luxury ice cream van business:

Add the cost of sales and the fixed costs to get to your production cost.

---

Cost of sales: each ice cream costs £0.20 to produce, including the ice cream, the cone, the sauce etc.

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Fixed costs: your fixed costs are £2000 per month (this includes the van, petrol, staff costs, your salary). You plan to sell 2000 ice creams per month. So the fixed costs per ice cream are £1.

---

Production costs:  $£0.20 + £1.00 = £1.20$ .

---

Then add a certain level of profit, which is usually expressed as a percentage, to calculate your price.

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If you operated at 75% profit margin:

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$(£1.20 \times 75\% = £0.90)$  + production cost of £1.20 = Price £2.10 per ice cream

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If you operated at 100% profit margin:

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$(£1.20 \times 100\% = £1.20)$  + production cost of £1.20 = Price £2.40 per ice cream

---

Look at your competitors. How much do they charge?

A standard ice cream van would charge £2 per ice cream. But yours is a luxury product, so you decide to go with 100% margin and charge £2.40 per ice cream, resulting in £1.20 profit per ice cream. Delicious.

## Selling to retailers

If you're selling to wholesalers or retailers, you'll need to find out what their typical mark-up is, and work backwards from there to calculate the price at which you will sell to them.

For example, you're planning to sell your range of iPad covers to a store.

Based on your research you would expect the covers to retail at £25.

The retailer would expect to make 50% profit on the covers. So, they would buy the covers from you for £12.50.

That means your wholesale price is £12.50 The RRP is £25.

Each cover costs you £2 to make. So, you make £10.50 on each product you sell to the retailer.

If your income is projected to be over £85,000 (as per 2020) per annum, you will have to register for VAT, which is 20% tax on sales that can reduce your margins. Get advice.

# Curve pricing

Another method of pricing assumes that different people are willing to spend different amounts based on their personal preferences.

According to Nicholas Lovell, author of *The Curve4*, by giving people an option, of free, standard and premium, you can move people along a curve from “freeloaders to superfans”

Imagine you’re an expert/consultant. You could consider offering a three-tiered pricing approach. For example:

Free download or e-book	Fantastic value product	Premium consulting services
£0	£29.99	£99 per hour
Automated download	DVD, Book, E-Course	One-to-one Skype sessions

Or perhaps you’re a musician or filmmaker?  
You could try this:

Free music / video / download	Signed CD / DVD	CD / DVD with extra songs and limited edition artwork
£0	£29.99	£79

## Top tips

Don’t forget to include a margin to cover your own time. There’s a strong temptation to keep costs down by not paying yourself, but six months down the line, when you’re exhausted and broke, you might be tempted to jack it all in.

When you’re thinking about pricing, don’t talk yourself out of money. Shaving more and more money off your price because you don’t believe in yourself is risky.

If you’re offering a quality product, charge a decent price for it, otherwise, you’ll be constantly struggling to make ends meet, undervaluing your business and your customers will think you are no good. Customers often equate price to quality.



For more information about The Curve, check out [www.thecurveonline.com](http://www.thecurveonline.com)

# Forecasting

TRY  
THIS

**“Forecasting” may sound complicated, but it’s just sensible guesswork. Having a rough idea of your numbers, based on conservative and very sensible estimates, will help you make decisions.**

However, spending months fiddling around endlessly with a spreadsheet is a total waste of time. Treat this as an educated guessing game, be cautious rather than wildly optimistic, and you’ll be okay.

Produce a spreadsheet detailing your expected sales for the first 12 months.

Put the months along the top of the spreadsheet and break down how much you would expect to sell in each month.

Month	Unit(s) sold
January	1250
February	1250
March	1000
April	1500
May	1500
June	2000
July	2050
August	2100
September	2200
October	1800
November	2200



Include the following things in your forecast:

Value of each sale

---

Volume of sales

---

Reasons for uplift or drop in sales

---

## Things to think about:

How many customers do you have now?

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How many customers do you think you will gain each month?

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How many customers do you expect to lose each month?

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How much do you think each customer will spend on average?

---

Which months do you think will be particularly busy?

---

Which months do you think will be particularly slow?

---

Are there any important dates you need to consider? (e.g. special occasions like Valentine's Day)

---

Are you planning any new product launches? If so, when?

---

Do you have any marketing activity planned? (e.g. sampling at festivals)

---

Is the market growing or steady? (If it's declining, perhaps you're in the wrong market)

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Will you be raising your prices?

## Top tips

Don't forget to flex your forecasts based on seasonality, Christmas, holidays etc.

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Be very conservative indeed – ask for a second opinion if necessary. Better to be safe than sorry.

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Take a realistic view of your first few months. You won't necessarily be selling thousands of units or be completely booked up in your first week.

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Make sure delivering your forecast is physically possible – based on the number of hours in the day, or capacity for each person/machine.

---

Once you've had a go at the forecast, move away from the forecast and get on with running your business.

---

Get a second opinion. CityVentures are here to help!

# Cash Flow

**Cash flow is the amount of cold hard cash your business has coming in and going out.**

There's a saying; 'turnover is vanity, profit is sanity and cash is reality' –

It's one thing to be on track to make lots of money unless it lands in the bank when you need it, you're in the danger zone.

Cash flow problems are the single biggest business killer. Bury your head in the sand at your peril!

Even if your business is making money, you might find yourself in a tricky situation where you don't have the money you need to pay your bills when they're due.

Those pesky 30-day payment terms written in small print at the bottom of invoices can prove lethal.

Big businesses often try to hold on to cash for as long as possible and will therefore pay you later than you'd like. This means that you're left waiting for payment, with bills of your own to pay. Without careful cash flow management and an eagle eye on your bank balance, your whole business could go belly up quicker than you can say "cash flow crisis"

## Top tips

Here are some cash flow-crisis avoidance tips to ensure you don't run into troubles.

### Bank stuff

Set up a separate business bank account and set up regular text alerts with your balance.

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Check your bank balance and sales forecasts at least weekly so you can see if anything is about to go wrong.

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Be wary of cheques – they might bounce. And keep a record of the cheques you write in case they are not cashed immediately.

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Put a warning system in place so that if you get dangerously close to running out of money your bank lets you know.

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Keep a cash buffer for a rainy day or see if your bank will give you a free overdraft facility.

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Use financial management software – which makes it easier to monitor your financial position and chase late payments (more info at the end of the chapter).

---

## Invoicing

Track payments against your invoices every day, so you can see who's late paying and send them a reminder.

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Make sure you deliver your products or service on time and invoice immediately.

---

Make sure you write your payment terms clearly at the bottom of your invoices.

---

Consider invoicing a percentage of any fees upfront and the rest on completion.

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## Systems

Make it easy for people to pay you – take payment over the Internet or over the phone where appropriate.

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## Timings

Ask your clients to pay for materials or send an up-front payment to enable you to pay for stuff.

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As soon as you make any money, bank it.

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Only pay your bills when they are due – don't pay in 15 days, if the terms are 30 days.

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Charge interest on late payments.

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After a couple of days, call the client to chase payment.

---

## Cash

Don't over-spend!

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Look at your spending every month and for ways to cut costs.

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## Customers

Credit-check your customers to make sure they will pay you and they'll pay on time.

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Refuse to work with slow-paying clients or insist they pay upfront.

---

Offer discounts for clients who pay early to encourage good payment behaviour.

---

If someone continues to pay late, stop working with them. A late payer can turn into a non-payer.

---



It is a good idea to do a “personal survival budgeting” before throwing all your savings into the business.

Check out this template from Startup loans:  
[www.startuploans.co.uk/personal-survival-budget-template](http://www.startuploans.co.uk/personal-survival-budget-template)

Sam Lehane, founder of M.Y.O (Make Your Own).

# Money Management

**As a business owner, you will need to keep proper financial records. It's the law. This may fill you with dread, but the good news is, accountants were invented to help you with this!**

“Don't spend your money too fast! Have a contingency plan. My first two start-ups were funded, but we blew the money too quickly, ending up with half-finished products which we had to sell just to cover our costs.”

Alborz Bozorgi, BA Cultural and Creative Industries graduate, School of Arts and Social Sciences, and co-founder of Twipes.

It won't be long before the money starts rolling in and you're going to have to pay tax on your profits.

This will involve filling in lots of forms and sending off your bank statements and receipts. So, our first piece of advice is to get an accountant.

Our second piece of advice is to keep your accountant happy! Your accountant will help you to complete your tax return using all the stuff you've collected over the year. If you hand them a box stuffed with scrunched up bits of paper, they won't like you very much.

Set up a business bank account as soon as possible. Shop around and track down a deal that gives you free banking for a while and some free advice, plus any other goodies you might be able to find.

Register as self-employed (if you are) with HM Revenue & Customs (HMRC). If you don't do this within three months you might have to pay a fine.

Here's the link:

[www.hmrc.gov.uk/selfemployed](http://www.hmrc.gov.uk/selfemployed)

File business bank statements and invoices and receipts for everything you've bought for the business.

There are loads of other types of records you will need to keep, from petty cash books to till rolls – exactly what you keep depends on your business type.

Use codes to match these numbers with actual bits of paper.

It's a good idea to keep a cashbook on **Xero** or **Receipt Bank**, where you can keep a running balance of your spending and income while you're out and about.

Or you could use a cloud-based system like **Freshbooks** to capture your expenses. That way everything will be safely stored and backed up, so if you spill something on your laptop or notebook it doesn't matter.

Keep a record of any money you pay into or take from the business. If in doubt – keep the bits of paper anyway. You will need to keep records for seven years.

Consider setting up a limited company – evaluate the pros and cons.

Ask your accountant whether you need to register for VAT, or to give you the heads up when it's time to do so.

Swot up on all this so you don't rely too much on your accountant having the time to talk to you (and enough communication skills to explain stuff).

Ultimately, it is your company and not the accountant's. It might be boring but doing it right the first time around will save you a lot of time and hassle in the long run. Plus, you're more likely to end up paying the right amount of tax and avoiding hefty fines.

If you want to learn more, HMRC offers great introductory courses to get you started, and at least help you speak the same language as your accountant.

If you are no mastermind working with numbers, ask for help to gain financial literacy!

## Useful resources

**Wave** – small business software for invoicing, accounting and payroll  
[www.waveapps.com](http://www.waveapps.com)

**Xero** – accounting software  
[www.xero.com](http://www.xero.com)

**Receipt Bank** – pre-accounting tool for bookkeepers  
[www.receipt-bank.com](http://www.receipt-bank.com)

# Funding

**What happens if you need some cash to get you started? There are plenty of sources of money around; it's just a question of putting yourself out there and applying!**

## CitySpark

CitySpark is an annual business design and doing competition run by CityVentures with five prizes of £5000. The competition helps City students and recent alumni to develop a business idea, test it out with potential customers and then make it happen.

CitySpark is all about finding problems, identifying real gaps in the marketplace and building evidence-based start-ups right from day one.

[www.city.ac.uk/cityventures/start/cityspark](http://www.city.ac.uk/cityventures/start/cityspark)



CitySpark and the Startup Summer School have helped me further develop my ideas, given me an opportunity to develop and practise my pitch, and provided me with the contacts and seed funding to make it a reality.”

Matt Bland, MSc Marketing Strategy and Innovation graduate, Cass Business School, and co-founder of Eat Safe.

## Cass Entrepreneurship Fund

We are also lucky enough to have The Peter Cullum Centre for Entrepreneurship at the Business School (formerly Cass).

The Centre houses a variety of resources, which can assist the development and execution of business concepts and is a focal point for practical support for entrepreneurs.

It is also home to the £10m Cass Entrepreneurship Fund, an early-stage growth equity fund managed by a professional in-house team. The Fund makes commercial investments into promising companies from across the Cass and City network. These typically range in size from £50,000 – £500,000 in the first instance.

For more info head over to

[www.city.ac.uk/cityventures/scale/cass-entrepreneurship-fund](http://www.city.ac.uk/cityventures/scale/cass-entrepreneurship-fund)

## Angel's Den

a business angels-led investment platform that connects fast-growing companies with experienced investors.

[www.angelsden.com/en-gb](http://www.angelsden.com/en-gb)

## The Varsity Pitch

Win £10,000 in cash for your business! The Varsity Pitch Competition is the UK's premier pitching competition for student and graduate entrepreneurs.

If you want the chance to win £10,000 to invest in your business, NACUE (the National Association of College and University Entrepreneurs) has just launched its annual Varsity Pitch Competition. The competition is open to any current college or university student or graduate of the past five years with a business idea or a current business.

[www.nacue.com/events](http://www.nacue.com/events)

## Cockpit Arts

UK's only creative business incubator for designer-makers.

[www.cockpitarts.com](http://www.cockpitarts.com)

## Santander Universities Entrepreneurship Award

This annual competition has categories for Undergraduates and Postgraduates with prizes ranging from £1000 to £20,000!

[www.santanderuniversities.co.uk/enterprise/win/entrepreneurship-awards](http://www.santanderuniversities.co.uk/enterprise/win/entrepreneurship-awards)

## Shell LiveWIRE

An online community for young entrepreneurs aged 16-30. Weekly Prize of £1,000.

[www.shell-livewire.org](http://www.shell-livewire.org)

## Funding Circle

Get a fast, flexible loan, up to £1,000,000, for your business. Bypass the banks and have your loan funded directly by people and organisations across the UK.

**Please seek advice from CityVentures before applying for a loan!**

[www.fundingcircle.com](http://www.fundingcircle.com)

## London Mayor's Competiton

Your chance to take the title of Mayor's Entrepreneur and win one of four £20,000 prizes to bring an idea to life.

[www.london.gov.uk/what-we-do/business-and-economy/mayors-entrepreneur-competition/mayors-entrepreneur-programme](http://www.london.gov.uk/what-we-do/business-and-economy/mayors-entrepreneur-competition/mayors-entrepreneur-programme)

## Innovate UK Grants

Government backed funding to research and develop a process, product or service and collaborate with other organisations.

[www.gov.uk/apply-funding-innovation](http://www.gov.uk/apply-funding-innovation)

# Crowdfunding

**Another option, if you need some cash to get started, or you're keen to build a loyal following of fans, is crowdfunding.**



Kickstarter allowed us to pre-sell more than 3,000 units in less than 3 months, raising £47,000 for production, spending NO money on marketing and advertising. A great achievement for a cash strapped start-up!”

Frank Milani, Masters in Innovation, Creativity and Leadership student, Cass Business School, and co-founder of Popcord (Powergoat Ltd).

Crowdfunding is not a license to print free cash, but it can be an effective way to raise a considerable amount of money.

You don't necessarily need to have a huge fan-base before you start if you're clear about your goal and what people will get in return for their money.

**Our free, flagship Udemy course “Side Hustle – from zero to 100”**

[www.udemy.com/course/sidehustle-zero-to-100](http://www.udemy.com/course/sidehustle-zero-to-100)

## Top tips

Film a video to create a clear and compelling pitch to potential funders.

Create an enticing offering giving people a chance to invest in your exciting project in return for a range of money-can't-buy rewards, like a branded t-shirt or your product.

Consider an affordable investment level of around £15, such as a signed book or print, and then a more premium reward that will get people reaching for their credit cards.

Make it clear what will happen with the money you receive.

Give yourself enough time to deliver results – you don't want to let your funders down.

Running a successful crowdfunding campaign is a lot of work. We recommend you do your research before starting and consider doing online courses through Udemy or Coursera to maximise your chance of success.

Marketing is key to a successful campaign. No one will fund it if they don't know it exists!



# MashPaddle Brewery

“I know it can be controversial, but I’m a big fan of ‘It’s X for Y..’”

## Your Differentiator

It allows you to save a lot of time by latching onto something the customer/VC already knows and filling in the blanks.

So, we can be “The WeWork for homebrewers”, or to use a less contentious example, “The 1Rebel for beer lovers”.

Start with your comparable to put the audience into a good contextual frame, and then talk about the problem that you’re solving.

I thought that there must be an opportunity to take the ‘co- working’ model and apply it to brewing.

## What is your business?

**We are much more like a gym – instead of treadmills and exercise bikes, it’s commercial quality brewing gear.**

You pay a monthly membership fee, and this gets you access to all of the equipment.

I’ve brewed beer in flats around London for a number of years, and I’ve always felt a pang of jealousy towards those who have a shed or a garage – somewhere with a decent amount of space to store kit and brew!

## NICK’S ADVICE



### How to price

Mash Paddle Brewery is based around recurring revenue, with additional transactional top-ups such as bar sales and experience sales.

As we are offering a hobby, we chose a value-based pricing model – the value to the customer is driven by not having to own, maintain and store kit, rather than the actual cost of the equipment and facilities to us.

I’d suggest working out where you fall in the spectrum of comparable – are you offering a premium product, or a value one? Are your customers transactional, or recurring?

### On taking risks

Build an alternate strategy – if you’re an event-based business and a pandemic hit, can you pivot to online? Or it could be hiring or retaining the right advisor with experience in your blind spots.

**Nick Harkin, Executive MBA**



@cityuniventures | @citylaunchlab | @MashPaddleBrewery

# Chapter 3

## Be Prepared

**How to bulletproof  
your business**



# Legal Eagle

## Deciding what type of legal structure your business will have is complicated, but it's one of the first things you'll need to do before you start trading.

It's important to get it right because it affects lots of important things.

Forms you need to complete to officially start the business

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The tax you'll be paying

---

How you get paid and when

---

What are your responsibilities if the business makes a loss.

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We've tried to make this stuff as easy to understand as possible to give you a heads up, but before you make any final decisions, we thoroughly recommend going to see an accountant.

These are the most common legal structures for you to choose from

### Sole trader

You're a sole trader if you run your business as an individual. (Although you can employ people – you don't have to work on your tod.)

From a legal and tax point of view, it's simple to set up as a sole trader, which makes it a popular option.

Being a sole trader simply means that you alone are responsible for the business and any debts you may incur. But, on the upside, you get to keep all the profits (after you've paid tax of course!)

You, as an individual, are responsible for:

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Any losses the business makes

---

Keeping good clear records of all your sales and expenses

---

Paying all the business's bills.

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Submitting an annual Self-Assessment tax return

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Paying income tax on profits

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Paying National Insurance

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If this sounds scary, don't worry – an accountant will be able to advise you.

### How to set up as a sole trader:

You will need to register with HM Revenue and Customs (HMRC) as soon as you've started the business. Go here for more information [www.hmrc.gov.uk/startup/index.htm](http://www.hmrc.gov.uk/startup/index.htm)

## Limited company

A limited company is a legal organisation that you can set up to run your business on your behalf. This means that the finances of the business are separate from your piggy bank. Every limited company has shareholders who own a stake of the company.

Any money the business makes belongs to the company, and only once a tax is paid can it share the profits with shareholders and directors.

Warning: before rushing in to become a company director, it's a good idea to become acquainted with the legal obligations associated with directorship, as there are lots.

The real advantage to a limited company is that the directors are not personally responsible for any debts the business may have, as long as they don't break any laws.

A Limited Company is responsible for:

Putting together annual accounts

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Submitting an annual return to Companies House

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Sending HMRC a Company Tax Return

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On top of this, directors must also fill in a Self-Assessment Tax Return every year and pay tax and National Insurance through the PAYE system on any salary they earn.

An accountant can help you with these things unless you're feeling particularly brave.

For free legal advice head to Start-Ed  
[www.start-ed.org](http://www.start-ed.org).

## How to set up a limited company

You must formally register your business with Companies House – you can usually do this online.

[www.companieshouse.gov.uk/infoAndGuide/companyRegistration.shtml](http://www.companieshouse.gov.uk/infoAndGuide/companyRegistration.shtml)

You must also inform HMRC when you start trading:

[www.hmrc.gov.uk/ct/getting-started/new-company/start-up.htm](http://www.hmrc.gov.uk/ct/getting-started/new-company/start-up.htm)

## Partnership

In a business partnership, you and your business partner (or partners) share personal responsibility for the business. Profits are split between the partners and each partner pays tax on their share of profits.

As a partner you will be responsible for:

Your share of any losses the business makes

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Keeping good clear records of all your sales and expenses

---

Sending a partnership Self-Assessment tax return every year

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Sending a personal Self-Assessment tax return every year for your income

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Paying income tax on your share of profits

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Paying National Insurance

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Like a marriage, a partnership means sticking together in sickness and in health, i.e. sharing both profits and debts.

It could be fun working with someone else if you get on well and can be honest and open with each other.

If you fall out, things could go badly, so set up an agreement on how the business will be run at the start.

We know plenty of people who failed to put the necessary legal contracts in place, and this lack of preparation led to a huge mess when things didn't turn out quite as planned.

You might start as friends, but things can often get complicated when money is involved.

Deciding who will do what, how much time you'll be spending on the business and what happens to the business if one of you decides to leave, or go travelling, or head off to live in a yurt, could save a lot of heartache in the long run.

For the sake of a couple of hundred quid, it's better to do this right.

As a great lawyer told us, "it's better to build your business on strong foundations than on a bog!"

If you don't fancy being held personally liable for the business's losses, you can set up a limited partnership or limited liability partnership instead.

### **How to set up as a business partnership**

Head over to HMRC for more info [www.hmrc.gov.uk/sa/parts-partners.htm#1](http://www.hmrc.gov.uk/sa/parts-partners.htm#1).

## **Limited Liability Partnership (LLP)**

This is like a partnership, but less risky. (And more complicated.)

It's less risky as your liability is limited to the amount of money you invested in the business... and more complicated because it costs more to set up and you need at least two "designated members" who'll have extra responsibilities.

In a limited liability company, your financial risk is limited to the amount you've invested, as with an LLP, but you will have extra-legal duties, like keeping public records and filing accounts.

If you're thinking of setting up an LLP, you will need to go and see a solicitor or an accountant for advice.

## **Top tips for finding the perfect legal structure for you**

If you're not sure which business structure is right for you, ask an accountant or solicitor for advice.

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Don't assume you need to form a limited company right from the start.

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If you do need to register your business formally, don't pay money for incorporation services online – go straight to Companies House.

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Decide where your registered office will be and where you'll be keeping important documents – this can be your house, your accountant's office, or your own office.

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# Use Protection

As intellectual property is a rather technical topic, we've brought in the big guns in the form of Mandy Haberman, inventor and intellectual property guru. (For more information about Mandy and her inventions, head over to [www.mandyhaberman.com](http://www.mandyhaberman.com).)

Here's her advice on using the concept of Intellectual Property to protect your idea and help you to find out if it's original.

For more detailed information on any aspect of Intellectual Property, visit [www.ipo.gov.uk](http://www.ipo.gov.uk)



To help us protect our idea, we used exclusive contracts with distributors, trademarks and established a difficult-to-replicate supply chain.”

Greg Drach, BSc Investment & Financial Risk Management graduate, Cass Business School, and co-founder of Inscribe Media.



The whole team is under employment contracts. It's really important! You should always have a contract with co-founders, investors and employees, to protect yourself and protect the business.”

Jody Orsborn, MA Culture, Policy and Management graduate, School of Arts and Social Sciences, and co-founder of The Backscratchers.

## What is Intellectual Property (IP)?

**Mandy:** “Intellectual property is something unique which you have created using your mind.

*It can be an invention, a new product, a logo, something written, something artistic, computer software, music or film.*

*If you create something, then you the individual or the business you work for, own the IP.*

*Protecting your IP helps prevent other people from stealing your ideas, or using them without permission. It also enables you to charge other people to use your ideas, if you want to.”*

## How do you find out if your idea is original?

**Mandy:** “A thorough internet background search is always a good start to any product design.

*It helps to see what the market looks like and to see if your idea has already been done.*

*However, if you can't find it in the market, it doesn't necessarily mean that your idea is original. Many brilliant ideas have never been commercialised. It is therefore also important to search the patent database.*

*You can search over 80 million patents on Espacenet using keywords and categories.”*  
[www.espacenet.com](http://www.espacenet.com)”

## Protecting your idea before public disclosure

When it comes to talking about a new business idea, be careful. Asking people for advice and getting honest opinions is a great thing to do, but in certain situations, you may need to take precautions.

When discussing your idea, it may be fine to share what you're doing, but don't give away how you're going to make it happen, in the same way, that Coca Cola doesn't disclose their secret ingredients!

If you do need to discuss with a supplier or retailer, consider using a confidentiality agreement – sometimes called a non-disclosure agreement (NDA).

This is a short agreement that ensures your idea will be kept secret by the people you are going to talk to. It might seem like a bit of a pain, or like you're being paranoid, but you shouldn't be naïve. There are people out there who will steal your ideas. We've seen it happen and it's not pretty.

**Mandy:** *“Before applying for a patent you must not show anyone your idea until they have signed an NDA.*

*Public disclosure without an NDA will disqualify you from applying for a patent. Even after you have applied for a patent, or registered your design, an NDA can be helpful.*

*It acts as a belt and braces to keep your idea safe when approaching potential licensees, suppliers or retailers.”*

Another very helpful tool that can protect your creative work before acquiring IPRs, is a Creative Barcode ([www.creativebarcode.com](http://www.creativebarcode.com)).

Some companies refuse to sign NDAs but are willing to acknowledge a Creative Barcode.

## Different types of protection

The kind of protection available to you depends on the type of work you want to protect.

### Copyright

As long as your written work or artwork is original, it will automatically have copyright protection without you having to do anything. To help protect your copyright work, you should mark it with the © symbol, your name and the year in which the work was created.

### Design rights

Design Rights protect the look of something. They protect the shape or configuration of the whole or a specific part of the product, but they don't protect the technology (how it works). Unregistered Design Rights are automatic, and the protection lasts for 15 years. A registered Design Right will last for 25 years. To have either a registered or an unregistered Design Right, your work must be original and not copied from an existing design.



We have patents, design rights, and trademarks. You can also protect your idea by getting it out in the market quicker than everyone and keeps improving and try to be the best at it.”

Frank Milani, Masters in Innovation, Creativity and Leadership student, Cass Business School, and co-founder of Popcord (Powergoat Ltd).

## Trademarks

A Trademark is a sign that signifies your brand. It can be a word (or words), a logo, or a combination of both.

If your product is going to be commercialised or licensed, you might consider registering your Trademark but until then, if you want to protect a brand name, you can mark it with <sup>TM</sup>. See the IPO website for guidance on what would be accepted as a Trademark:

[www.ipo.gov.uk/types/tm/t-about.htm](http://www.ipo.gov.uk/types/tm/t-about.htm)

## Patents

Patents protect how something works i.e. the technology.

Products embodying similar patented technology might look completely different. Whilst you can apply for the other IPRs (listed above) by yourself, you should use a professional patent agent to draft your patent.

[www.cipa.org.uk](http://www.cipa.org.uk)

To qualify for a patent, your idea must be original, new and have been kept secret before application. Once you have applied for a patent, you can mark your work as “patent pending” which is helpful when approaching potential licensees or investors. Before your patent application is published by the UKIPO (usually within 12 months of the first filing) you can choose to extend your patent application to additional countries.

Patenting is an expensive process. Only embark upon it if you are confident that your product will be commercially successful.

If you do decide to make an application but find yourself unable to proceed as time progresses, you have the option of withdrawing the application. If this is done before publication (usually about 12 months after applying), your invention will remain undisclosed, enabling you to start an application later.

Before applying for a patent, check that you own your IP. Some universities require you to assign any IPRs created whilst you are a student to the institution as a condition of enrolment.

If this is the case, discuss the patent application with them



I have trademarked “Ocushield” but I decided against a patent as it takes 18 months and a lot of capital; money which can be used to establish the business rather than waiting for a patent to go through. If your idea is truly technical, then I’d say patent it. Ocushield is a collaboration of materials that already existed so in my opinion, it’s not too intellectual!”

Dhruvin Patel, BSc Optometry graduate, School of Health Sciences, and founder of Ocushield.

NB If you intend to register your design and also apply for a patent, you should apply for the patent first, so that the Design registration does not publicly disclose any features of what you want to include in your patent application.

Postponing the Design registration is also sensible, as the final design of your product is likely to change as your invention progresses towards production.

**Note: Please be aware that different IP regimes operate in different countries. This guide relates purely to commercial strategies in the UK and is not intended as a substitute for legal advice.**



## Useful resources

There's also lots of useful info at the British Library Business and IP Centre

[www.bl.uk/bipc](http://www.bl.uk/bipc)

Start-Ed, based at City, can also help with legal advice

[www.start-ed.org](http://www.start-ed.org)

Intellectual Property Health Check

[www.ipo.gov.uk/iphealthcheck](http://www.ipo.gov.uk/iphealthcheck)

IP Equip App: The IPO have created a handy app for businesses keen to learn more about IP. It has been designed to help you find the best way to protect your intellectual property and avoid expensive mistakes.

[candwgrowthhub.co.uk/supportfinder/ip-equip-app](http://candwgrowthhub.co.uk/supportfinder/ip-equip-app)

# Risky Business

**While we're on the subject, let's think about what might go wrong with your business – not because we're being negative, but because it's sensible!**

Here are a few examples of possible pitfalls:

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Slow payers will need chasing up, which can take up a lot of time.

---

Competitors ripping you off, seriously undercutting you, or copying you.

---

Customers not valuing your product or service.

---

Problems with deliveries and other practical stuff.

---

Computer or machinery meltdown.

---

Staff issues e.g. general stropiness, lack of skills, availability, high costs.

---

Random nightmares e.g. fires, floods, earthquakes, terrorist attacks.

---

Being aware of the risks will help you to take action now to prevent things from going wrong and, if they do, you'll know what to do.

# Make the Headlines



**TRY  
THIS**

**In a bid to try to make this as fun as possible,  
and not too depressing... try this!**

## Step 1

Imagine the front page of The Sun – your business has gone belly up. What's the headline?

Why has it happened?

---

Did you lose your bottle?

---

Did you fall out with your business partner?

---

Did your competitors make a better version of your product?

---

Did your staff let you down?

---

Did you make a mistake?

---

Did you ignore the warning signs?

---

Did your assistant go loopy with the company credit card?

---

Did your customers not pay you?

---

## Step 2

Now, think about how you can protect yourself from each of these risks to avoid your worst nightmares coming true. We've already discussed lots of things that could help, for example NDAs, cash flow management and financial planning.

Potential Disaster	Protection

## Checklist

- Accountant visited
- Legal structure selected
- Business registered
- Legal protection investigated
- Start-Ed / British Library / Intellectual Property Office consulted
- Risks considered
- Preventative action taken!

# Pitch Perfect



**TRY  
THIS**

**Now you've got an idea, you need to be able to talk about it passionately, but concisely.**

Launching into a 20-minute speech every time someone asks you about your business will not only send people running for cover at parties, but it also suggests you don't have a very clear idea.

You need to be able, to sum up, your business in about 60 seconds so that if you bump into a very generous millionaire in a lift you can dazzle them with your ingenuity and maybe encourage them to write you a cheque before they reach their floor.

Write a paragraph that describes your business.

Try to answer the key questions we've been working on:

**What** your business is called

**What** you do

**How** you will make money

**What** makes your business special?

**Why** you are doing it

## Top tips

Make sure anyone can understand your idea – leave out the jargon.

---

In a couple of sentences, explain why you set the company up in the first place. Be brief and don't waffle.

---

## Next up...

Say it out loud in front of the mirror. It's hard at first, but practice makes perfect.

Test it out on your family and friends to see if they know what you're on about...

# Seven Cherries

“Be knowledgeable, stand out, and don't bullshit...”

I was working as a freelance chef for a large catering company at a corporate Christmas party.

**I was shocked at how much food was being thrown away afterwards.**

It was enough to feed literally hundreds of people. I wanted to find a solution to tackle this problem.

My business is an improvement. Our entire menus are seasonal, which means we can source the best ingredients from the UK.

## Milestone

My most memorable business milestone was eliminating waste on our dry store, cleaning products and fruit and vegetables supply chains. We do this by sourcing from a local zero

waste shop, which provides us with flours, sugars, nuts and so on, as well as refillable cleaning products.

Our fruit and vegetable supplier delivers everything in cardboard boxes, which are returned and reused. This was a really important step in our journey towards becoming a zero-waste company.

## ROSS'S SECRET SAUCE



## Dealing with big sharks

Remember that an investor may not know your particular industry inside out, but they have probably met hundreds of founders on their journey.

So, you need to be able to describe exactly what it is you do in a memorable way, but we're not talking card tricks or leopard print suits.

Honesty, knowledge and good communication. It's really not rocket science (unless you're a rocket scientist). And don't lie. Ever.

## Name it

Pick a name that your customers will relate to, is easy to understand, and most importantly, is fun!

Our name comes from a cherry tree in my parents' garden – we would lose the crop each year to the local crows. One year, for some reason we had a few cherries left over. I can't remember if it was exactly seven, but it sounded like a nice fit!

**Ross Jones, MSc Food Policy**



@cityuniventures | @citylaunchlab | @SevenCherriesCatering

# On the Inter-Web

**One of the best things about being a student entrepreneur these days is the Internet. Once you know where to look there are oodles of smart tools, apps and websites out there to help you run your start-up. Here are some of our favourites.**

## Project management

Trello: (FREE and fun to use) [www.trello.com](http://www.trello.com)

Asana: [www.asana.com](http://www.asana.com)

Wrike: (Includes GANTT charts, if you want to) [www.wrike.com](http://www.wrike.com)

Thrive Solo: (Perfect for freelancers) [www.thrivesolo.com](http://www.thrivesolo.com)

iDoneThis: [www.idonethis.com](http://www.idonethis.com)

Slack: [www.slack.com](http://www.slack.com)

## Finances

Wave (small business software for invoicing, accounting and payroll) [www.waveapps.com](http://www.waveapps.com)

Tide: (small business account) [www.shoeboxed.com](http://www.shoeboxed.com)

Coconut: (accounting) [www.getcoconut.com](http://www.getcoconut.com)

Start-Ed: (For free professional legal advice) [www.start-ed.org](http://www.start-ed.org)

Stripe: (Take payments online) [www.stripe.com/gb](http://www.stripe.com/gb)

## Social media management

Hootsuite: [www.hootsuite.com](http://www.hootsuite.com)

Facebook Creator Studio

Later: (ultimate scheduling tool) [www.later.com](http://www.later.com)

Buffer: [www.bufferapp.com](http://www.bufferapp.com)

## Customer relationship management

In Touch CRM (includes email marketing) [www.intouchcrm.com](http://www.intouchcrm.com)

Capsule: (includes the great app, integrates with Mailchimp) [www.capsulecrm.com](http://www.capsulecrm.com)

You Don't Need a CRM (sales focus) [www.youdontneedacrm.com](http://www.youdontneedacrm.com)

HubSpot: [www.hubspot.com](http://www.hubspot.com)

## All in one business management

Skylight: [www.skylightit.com](http://www.skylightit.com)

Blue Camroo: [www.bluecamroo.com](http://www.bluecamroo.com)

Sellsy: [www.sellsy.com](http://www.sellsy.com)

## Email marketing

Mailchimp (great free plan, easy to use) [www.mailchimp.com](http://www.mailchimp.com)

Aweber (very powerful) [www.aweber.com](http://www.aweber.com)

Dotmailer: [www.dotdigital.com](http://www.dotdigital.com)

## Find freelancers

Fiverr (marketplace for jobs priced at \$5)  
[www.fiverr.com](http://www.fiverr.com)

People Per Hour (quality freelancers around the world) [www.peopleperhour.com](http://www.peopleperhour.com)

Odesk: (more quality freelancers around the world) [www.odesk.com](http://www.odesk.com)

99 Designs: (logo, web and graphic design)  
[www.99designs.co.uk](http://www.99designs.co.uk)

## DIY websites

Wix: [www.wix.com](http://www.wix.com)

Moonfruit: [www.moonfruit.com](http://www.moonfruit.com)

Squarespace: [www.squarespace.com](http://www.squarespace.com)

## Lead generation

Kick Off Labs: (Includes viral kick and email marketing) [www.kickofflabs.com](http://www.kickofflabs.com)

Launch Rock: [www.launchrock.co](http://www.launchrock.co)

Leadpages: [www.leadpages.net](http://www.leadpages.net)

## Printing

Solopress: [www.solopress.com](http://www.solopress.com)

Moo: [www.uk.moo.com](http://www.uk.moo.com)

Vistaprint: [www.vistaprint.co.uk](http://www.vistaprint.co.uk)

## Customer support

Keeping: (Handle customer support in your Gmail – it's FREE!) [www.keeping.com](http://www.keeping.com)

Olark: [www.olark.com](http://www.olark.com)

Zendesk: [www.zendesk.com](http://www.zendesk.com)

## Video

GoAnimate: (easy to use animation tool)  
[www.goanimate.com](http://www.goanimate.com)

Adobe Spark: (awesome video slideshows)  
[spark.adobe.com](http://spark.adobe.com)

Powtoon: [www.powtoon.com](http://www.powtoon.com)

## Stock images

Dollarphoto Club: [www.dollarphotoclub.com](http://www.dollarphotoclub.com)

Unsplash: [www.unsplash.com](http://www.unsplash.com)

## E-commerce

Shopify: (Awesome ecommerce solution)  
[www.shopify.co.uk](http://www.shopify.co.uk)

Amazon Marketplace

Big Commerce: [www.bigcommerce.com](http://www.bigcommerce.com)

TicTail: [www.tictail.com](http://www.tictail.com)

## Market research

Google Trends: (Free market research)  
[trends.google.com](http://trends.google.com)

Bitly (trackable links): [Bitly.com](http://Bitly.com)

Talkwalker (trend tracking): [talkwalker.com](http://talkwalker.com)

Google forms/Typeform

Survey Monkey: (Create your own surveys)  
[www.surveymonkey.com](http://www.surveymonkey.com)

Feedly: (keep up with your topic, news and blogs) [www.feedly.com](http://www.feedly.com)

Google Alerts: (monitor mentions on the web)  
[www.google.co.uk/alerts](http://www.google.co.uk/alerts)

## App building

Appery: (Build your own app, no coding knowledge required!) [www.appery.io](http://www.appery.io)

Heroku: (Free cloud bases for your app)  
[www.heroku.com](http://www.heroku.com)

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**Watch on**  
[youtube.com/  
cityuniventures](https://www.youtube.com/cityuniventures)

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